

**1999 Rental Income (for rents received in 1998)****9110**

First name	Initial	Last name	Your social security number
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SEE INSTRUCTIONS ON BACK FOR COMPLETING THIS SCHEDULE

	Use Column A only if your rental property is connected to or located on the same property as your residence.	Use Column B and Column C if your rental property is <b>not</b> located on the same property as your residence.	
	Column A	Column B	Column C
<b>1 Address or property identification</b> . . . . .			
<b>2 Gross receipts from rents</b> . . . . .			
<b>3 Expenses for:</b>			
Property taxes . . . . .			
Insurance . . . . .			
Interest . . . . .			
Telephone . . . . .			
Light, heat, water, power . . . . .			
Garbage . . . . .			
Repairs, maintenance . . . . .			
Other expenses (list, but do not include depreciation) . . . . .			
<b>4 Total expenses</b> (before depreciation). Add all the amounts shown in each column for line 3.			
<b>5 Total Depreciation</b> from depreciation schedule below, column (7) . . . . .			
<b>6 Total expenses</b> Add line 4 and line 5 . . . . .			
<b>7 Expenses applied to portion occupied by you.</b> See instructions . . . .			
<b>8 Rental expenses</b> Subtract line 7 from line 6 . . . . .			
<b>9 Net rental income (or loss).</b> Subtract line 8, Column A, and/or line 6, Columns B and C, from line 2 . . . .			

**10 Total.** Add line 9, Columns A, B and C. Enter the amount here and on form FTB 9000 or form FTB 9000R, line 14. . . **10** \_\_\_\_\_**Depreciation Schedule.** See instructions.

(1) Description	(2) Date of purchase	(3) Cost or other basis	(4) Allowed or allowable in prior years	(5) Method of computing	(6) Rate or life	(7) Depreciation this year
<b>A</b>						
<b>B</b>						
<b>C</b>						
<b>Total Depreciation.</b> Add the amounts in column (7). Enter in the appropriate column of line 5 above . . . . .						

# Instructions for Completing Schedule 9110

## Rental Income

### Specific Line Instructions

#### Column A

Use this column only if your rental property is connected to or located on the same property as your residence. Examples of this type of property are an apartment situated on your residential lot, or a duplex, one-half of which is used as your personal residence or rooms rented in your residence.

- Line 1** Enter the address of the property.
- Line 2** Enter the gross receipts received from rents during 1998.
- Line 3** List in detail all expenses of the rental property connected with your personal residence. Examples of these expenses are: property taxes, insurance and interest that are partly rental expenses and partly expenses you pay for your residence.
- Line 4** Add all expenses listed under line 3.
- Line 5** Complete the depreciation schedule for this rental property and enter the amount of depreciation allowed or allowable. See the depreciation schedule information below.
- Note:** Depreciation is not allowed on the portion of the property that you use as your personal residence.
- Line 6** Add line 4 and line 5.
- Line 7** Enter the portion of expenses included on line 4 that applies to your personal residence. To determine this amount, multiply the percentage of the property you occupy as your home by the amount on line 4. Figure the percentage that you occupy by using the number of rooms, square footage or any similar measure. For example, if you have five rooms in your home and use three for your personal use and rent

two, your percentage of personal use would be figured this way:

$$\frac{3 \text{ rooms personal use}}{5 \text{ rooms total}} = 60\% \text{ personal use}$$

- Line 8** Subtract line 7 from line 6. This is the part of the rental expenses that applies only to your rental property.
- Line 9** Subtract line 8 from line 2. This is your net rental income or loss.
- Line 10** If you have no other rental property, enter the amount from line 9, Column A on line 10 and on form FTB 9000 or FTB 9000R, line 14. If you have other rental properties, continue reading the instructions.

#### Column B and Column C

Use these columns if your rental property is **not** located on the same property as your residence.

- Line 1** Enter the address of each property.
- Line 2** Enter the gross receipts received from rents for each property during 1998.
- Line 3** List in detail all expenses connected with each rental.
- Line 4** Add all expenses listed under line 3 for each column.
- Line 5** Complete the depreciation schedule for the rental properties shown in Column B and Column C. Enter the amount of depreciation allowed or allowable for each rental property. See the depreciation schedule example below.
- Line 6** Add line 4 and line 5 for each column.
- Line 9** Subtract line 6 from line 2. This is your net rental income or loss for each property.
- Line 10** Add line 9, Columns A, B and C. Enter this amount here and on form FTB 9000 or FTB 9000R, line 14.

#### Depreciation Schedule

California did not allow depreciation under the federal accelerated cost recovery system (ACRS) for years prior to 1987 (see the note below for exception).

You must continue calculating your California depreciation deduction for assets placed in service before January 1, 1987, in the same manner as in prior years. See your rental income schedules for 1986 and earlier to determine how you must continue depreciating these assets. For property placed in service after December 31, 1986, you must use the federal modified accelerated cost recovery system. See federal Form 4562, Depreciation and Amortization, for more information.

**Note:** California allows residential rental property for which construction began on or after July 1, 1985, but before

July 1, 1988, to be treated as 18-year recovery property under the federal ACRS. If you began to depreciate this type of property under the federal ACRS for 1985 and 1986, you must continue using this method on your rental income schedule.

#### Example of straight-line method of computing depreciation

The "straight-line" method of computing depreciation is the simplest and most commonly used. The depreciation for each year is determined by dividing the adjusted basis (cost) of the property by the useful life of the property. The basis should not include the cost attributable to the land on which the residential dwelling is located. As an example, if the cost of the home is \$20,000, the depreciation allowable is computed as follows:

$$\begin{array}{rcl} \$20,000 & \text{(Cost of home less the} & \\ & \text{cost attributable to} & \\ & \text{the land)} & \\ \hline & 20 \text{ Years of useful life} & \\ & & = \$1,000 \text{ Total yearly} \\ & & \text{depreciation} \end{array}$$